

ASSUMPTIONS AND TENTATIVE UNDERSTANDINGS PERTAINING
TO ENTITLEMENTS OF CONTRACTORS PERSONNEL AND THE
METHOD OF HANDLING FINANCIAL OBLIGATIONS OF SUCH
EMPLOYEES AT FORWARD BASE OF OPERATIONS:

GENERAL:

We assume that: (a) Room and board will be provided at the expense of the Government to each individual receiving employment under this mission; (b) PX privileges, consistent with law and theater regulations, will be available to contractor personnel at prices charged other troops at the location involved; and (c) Monetary conversion facilities will be provided, consistent with theater requirements, without expense to the individuals. Accordingly, the employees should be encouraged to request only a minimum amount of his remuneration at the overseas base. When the decision is reached as to the actual base(s) of operation, you will be informed and our best efforts will be made to furnish: (a) climatic data; (b) commodity cost information; and (c) the type of entertainment and/or recreation facilities available and the estimated costs. This should assist the contractor and employee in deciding the amount of salary that should be disbursed abroad.

PARTICULARS OF HANDLING APPOINTMENTS AND SALARY PAYMENTS:

1. The contractor under its system of employment consistently followed, will enter into the employment agreement with the employee.
2. The contractor and employee will decide upon the amount of money to be disbursed to the individual at the forward base and this amount will be listed on a schedule opposite the employee's name and opposite each amount the employee should affix his signature indicating that he is aware of the amount to be disbursed to him abroad.

- 2 -

3. When each team is assembled, the contractor will furnish the original and two copies of this schedule through existing channels to the Government's contracting officer in order that arrangements may be effected to disburse the amount specified once each month in an orderly and timely manner.

4. The contractor may dispose of the remaining portion of the individual's salary and process amounts withheld for tax and other purposes in accordance with the contractor's established practice or as they agree to handle with the employee. The only interest of the Government in this regard being that the contractor should not, for obvious reasons, attempt payment to the employee at the forward facility without the expressed permission of the contracting officer.

5. To adjust the contractor's claim for the amount disbursed by the Government under its contract, it is expected that the contractor will prepare its monthly claim in the gross amount, exactly as it would if the Government was not effecting any disbursement to the contractor's personnel. After striking the gross total on the invoice, a reduction would be made thereunder covering the monetary considerations due the Government as a result of the Government disbursement(s) during the period involved.

DOCUMENTATION IN SUPPORT OF CONTRACTOR'S RECORDS:

It is expected that each contractor participating will need in support of its records and to permit final settlement with the employee and Government at completion of assignment, certain data showing payments effected by the Government. It is anticipated that contractor personnel

- 3 -

will be paid on a separate payroll, which will be supported by Time and Attendance reports, certified as to correctness by the contractor's employee involved and by the contractor's supervisor at the installation. This attendance record will be prepared in triplicate with the original being retained by the Government finance representative certifying the payment voucher. The two duplicate copies of the attendance report and two copies of the payroll will be forwarded by the Government finance officer to the Government Headquarters through approved channels and promptly upon receipt at Headquarters one copy of the payroll, as well as one copy of the Time and Attendance record, will be forwarded through established channels to the contractor. Through this means the contractor will be in a position to determine that agreed payment arrangements are being currently complied with. The original payroll only will be signed by each employee involved acknowledging receipt of payment, but the Government disbursing officer will certify on all copies that each employee appearing on the payroll received the amount shown opposite his name unless otherwise explained and that the original document or a picture copy of the payroll, showing acknowledgment of the payment, will be made available for examination by the contractor and/or the employee if necessary.

CONTINGENT ITEMS:

1. It is quite possible, even though we employ our best information for estimating, that a contractor employee will find he has either requested disbursement of an insufficient amount at the forward facility or that the amount being disbursed abroad is greater than required. If this situation

- 4 -

should occur, the individual will, accompanied by his supervisor, contact the Government finance representative at the location and execute in triplicate an amended "Pay Data Authorization" to show the effective date and amount of his salary to be disbursed abroad. The effective date will be extended at least six (6) weeks, except in the event of an emergency, to permit: (a) orderly advice to be forwarded to the contractor and, (b) appropriate adjustments to be accomplished by the contractor and the Government. Emergencies will be handled by cable and confirmed with properly executed "Pay Data Authorization". Disposition of this instrument will be the same as the disposition of other "documentation in support of contractor's records".

2. A situation may arise when an employee finds that he has excess cash in his possession at the forward facility and the finance representative will be available to assist in disposing of the money, in a secure manner, as desired by the contractor's employee through the purchase of a money order or, as a last resort, the money may be released to the local finance representative following the same channels stated immediately above. The finance representative will: (a) secure directions in triplicate from the individual giving desired disposition of the funds received; (b) render a temporary receipt for the cash obtained; and (c) furnish advice to Government Headquarters of the funds received, furnishing two copies of the directions as to disposition desired by the individual involved. Government Headquarters will: (a) cause a check to be drawn in favor of the contractor's employee involved, and (b) forward the check and a copy of the disposition instructions to the contractor involved for appropriate

- 5 -

action. Receipt, in duplicate, will be required from the contractor for said check in order that a copy may be furnished to contractor's employee to show that his request has been complied with. This paragraph deals strictly with a process to better service the individual and does not indicate a billing or payment adjustment between the contractor and the Government.

3. Under normal conditions, it is not expected that any travel expenses as such will be paid. It may be possible for a contractor's employee to be required to perform temporary duty on official business at a location where Government quarters and/or subsistence are not available (as assumed and mentioned in the General comments). Under this condition it is expected that the contractor's employee would be reimbursed for such temporary duty, in addition to salary, exactly as though he were a Government official rendering similar service. This expense would not require adjustment under the agreement between the contractor and the Government and unless the contractor desires the payment, would not be reported but instead would be handled at the local level.

4. Even though it is highly improbable, that it will be necessary to "redline" on the payroll a contractor's employee at the forward facility because of resignation or other reason(s), should such a situation occur immediate notification will be furnished Headquarters in sufficient detail to permit a determination as to the action necessary to be taken. Headquarters will promptly relay all information received to the contractor concerned.